

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF OKLAHOMA

In re: )  
 )  
PAUL TRANSPORATION, INC., ) Bankruptcy No. 10-13022-NLJ  
 ) Chapter 11  
Debtor. )

**OBJECTION TO ADEQUACY OF DISCLOSURE STATEMENT**

PACCAR FINANCIAL CORP. (“PFC”), pursuant to 11 U.S.C. § 1125, hereby objects to the adequacy of *Paul Transportation, Inc.’s Disclosure Statement* filed December 15, 2010 (docket #249) (the “Disclosure Statement”), which was filed contemporaneously with *Paul Transportation, Inc.’s Plan of Reorganization* (docket #250) (the “Plan”).

1. The Disclosure Statement is inadequate in the following respects:

- A. There is insufficient business justification for the extraordinarily odd “default” provision in the Plan (page 14-15 of 46). The default provision is nearly incomprehensible and, as a practical matter, would be unenforceable by a creditor.
- B. There is no clear explanation of the number of payments to be made to PFC on its (Class 11-14) secured claims. (See Plan, pages 19-20.) It is impossible to tell if the Plan proposes to reamortize PFC’s secured claims (all or almost all with less than 24 monthly payments remaining) over a 36 month term. There is insufficient explanation of how the values of PFC’s collateral will sustain the same level of security in the event of a re-amortization over a much longer period than currently remaining due on PFC’s secured claims.
- C. There is insufficient business and legal justification for the extraordinarily low interest rate proposed for PFC’s secured claims (classes 11-

14, 5.25%). A more appropriate interest rate would be the contract rates of interest, approximately 9%, or only if the values, business risks and market rates so justified, perhaps eight percent (8%).

D. There is no explanation of the legal basis, absent PFC's agreement, for assuming the lease contracts with PFC by continuing to make payments at the monthly payment amount set forth in the lease, for periods after the termination dates of each of the leases. (*See Plan, Ex. A.*)

2. PFC reserves the right to join in any other objections to the Disclosure Statement.

WHEREFORE, PFC prays that the Court deny approval of the Disclosure Statement unless it is amended to resolve the foregoing concerns, and that the Court grant PFC such other and further relief as may be just and proper.

Dated: January 14, 2011.

/s/ Andrew R. Turner  
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Attorneys for Creditor  
PACCAR FINANCIAL CORP.

CERTIFICATE OF SERVICE

I hereby certify that on January 14, 2011, a copy of the foregoing instrument was served by CM/ECF upon all parties in interest, including the following:

Matthew Goodin  
Stephen W. Elliott  
Kline, Kline, Elliott & Bryant, P.C.  
Attorneys for the Debtor

/s/ Andrew R. Turner  
Andrew R. Turner